

Explanation of Final Obligations under Public Housing Operating Fund Program for Calendar Year (CY) 2010

The document describes the final obligations under the Operating Fund program for CY 2010. These September 30th obligations are available for drawdown in LOCCS.

Obligation Period

The final obligations for CY 2010 cover any unfunded eligibility for the period January 1 through December 31, 2010 based on the funds provided by Congress

Final Funding Eligibility

The Consolidated Appropriations Act of 2010 provided \$4.76 billion in operating subsidies for CY 2010. After running the Operating Fund Formula each agency will receive an overall proration of 103 percent (see Table 1).

Table 1: CY 2010 Proration Calculation

#	Description	Amount (in \$)
1	CY 2010 Appropriation	\$4,775,000,000
2	Less: Set aside for Transformation Initiative	(\$15,000,000)
3	Net Operating Fund Allocation (1) – (2)	\$4,760,000,000
4	CY 2010 Eligibility (Operating Fund)	\$4,611,685,196
5	CY 2010 Eligibility (Turnkey & Mutual Help)	\$233,005
6	Total CY 2010 Eligibility (4) + (5)	\$4,611,918,201
7	Proration (3) / (6)	103%

For the previous obligation estimates for CY 2010 funding, subsidy eligibility was prorated at 100 percent. The higher proration factor (103 percent) is applied cumulatively to the start of the year.

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Table 2 presents a comparison of CY 2009 and CY 2010 operating subsidy eligibility by key formula components.

Table 2: CY 2010 Operating Fund Eligibility Compared with CY 2009

#	Description	CY 2009	CY 2010	Variance	% Variance
1	Unit Count	1,183,490	1,277,173	74,944	6.33%
2	Eligible Unit Months (EUM)¹	12,681,168	12,598,315	-82,853	-0.65%
3	Project Expense Level	\$4,647,084,637	\$4,776,801,769	\$129,717,132	2.79%
4	Utility Expense Level	\$1,700,005,397	\$1,657,970,606	(\$42,034,791)	-2.47%
5	Add-ons:				
6	Self-Sufficiency	\$15,214,528	\$16,071,687	\$857,159	5.63%
7	Energy Loan Amortization	\$28,042,109	\$33,004,013	\$4,961,904	17.69%
8	PILOT	\$98,622,843	\$111,808,242	\$13,185,399	13.37%
9	Cost of Independent Audit	\$21,418,746	\$21,268,281	(\$150,465)	-0.70%
10	Funding for Resident Participation Units	\$25,175,075	\$25,112,025	(\$63,050)	-0.25%
11	Asset Management Fee	\$40,671,958	\$40,156,524	(\$515,434)	-1.27%
12	Information Technology Fee	\$26,655,182	\$26,522,666	(\$132,516)	-0.50%
13	Asset Repositioning Fee	\$67,986,011	\$77,664,616	\$9,678,605	14.24%
14	Total Add-Ons (6 through 13)	\$323,786,452	\$351,608,054	\$27,821,602	8.59%
15	Total Formula Expense (3+4+14)	\$6,670,876,486	\$6,786,380,429	\$115,503,943	1.73%
16	Formula Income	\$2,328,298,167	\$2,786,849,355	\$458,551,188	19.69%
17	Change in Utility Allowance	(\$69,676,254)	\$0	\$69,676,254	-100.00%
18	Total Formula Income (16+17)	\$2,258,621,913	\$2,786,849,355	\$528,227,442	23.39%
19	Other Formula Provisions:				
20	Moving to Work (MTW) with Alternative Subsidy Calculation	\$466,722,725	\$467,758,575	\$1,035,850	0.22%
21	Transition Funding (Decliners)	\$148,465,199	\$142,047,240	(\$6,417,959)	-4.32%
22	Other	\$3,200,612	\$1,354,510	(\$1,846,102)	-57.68%
23	Total Other Formula Provisions (20+21+22)	\$618,388,536	\$611,160,325	(\$7,228,211)	-1.17%
24	Total Eligibility (15-18+23)²	\$5,030,643,109	\$4,611,685,196	(\$418,957,913)	-8.33%

1 MTW PHAs with alternative subsidy calculation do not report EUMs.

2 Totals of the key formula components may not add to the total eligibility on Line 24 because of certain projects that receive funding for audit costs only as their formula income exceeds formula expenses.

Final Obligations

For each PHA project, the Department has applied the proration factor of 103 percent to the final CY 2010 eligibility, and then subtracted the interim obligation amounts provided during the first nine months, with the resulting figure representing the final obligation funding. Where PHAs had changes in project inventory and differences in initial estimates and actual eligibility, adjustments were made to reconcile project level funding.

The Financial Management Division (FMD) has posted the final 2010 obligating documents on the Operating Subsidy website.